



Required Report - public distribution

Date: 11/1/2000

GAIN Report #CA0170

## Canada

## Strawberries

## Annual

## 2000

Approved by:

**Norval Francis**

**U.S. Embassy, Ottawa**

Prepared by:

George Myles

---

**Report Highlights:** Fresh strawberry production in Canada during 2000 fell to an estimated 21,000 metric tons, down 20% from a year ago reflecting cool and wet weather conditions in the primary production regions of Quebec and Ontario. Imports of fresh strawberries from the United States in the current marketing year are on pace to reach a record level of 52,000 metric tons, valued at more than \$75 million.

---

Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Ottawa [CA1], CA

---

Executive Summary .....	Page 2
Section I. Fresh Strawberries .....	Page 3
Production Situation .....	Page 3
Production by Province .....	Page 4
Consumption .....	Page 4
Prices .....	Page 5
Exchange Rates .....	Page 5
Section II. Trade, Marketing Year .....	Page 6
Fresh Strawberry Imports .....	Page 6
Imports by Province, Marketing Year .....	Page 7
Exports .....	Page 7
Section III. Marketing .....	Page 8
Imports from the United States, by Province .....	Page 8
Section IV. Tariffs .....	Page 9
Section V. Frozen Strawberries .....	Page 9
Supply and Distribution .....	Page 9
Frozen Strawberry Imports .....	Page 10
Find Us on The Web .....	Page 10

## Executive Summary

\* Fresh strawberry production in Canada in 2000 fell by an estimated 20% from a year ago reflecting cool and wet weather conditions in the primary production regions of Quebec and Ontario.

\* The combination of a reduced Canadian crop and increased U.S. strawberry production resulted in record imports of fresh strawberries from the United States in the first five months of the current marketing year.

\* Fresh strawberry imports from the United States reached their highest total ever during MY1999/00 at 47,525 metric tons. Imports in MY2000/01 are on pace to rise further to about 52,000 metric tons, valued at more than \$75 million.

\* In calendar year 1999, U.S. exports of frozen strawberries to Canada captured 52% of the import market, but fell almost 2% to 8,417 metric tons. Competing imports of frozen strawberries from Mexico rose significantly in 1999, but fell 25% off last year's pace in the first eight months of 2000.

\* Prospects for increased strawberry consumption in Canada are favorable. Real disposable incomes in Canada are expected to rise over the next few years reflecting the outlook for an expanding economy and lower personal income tax rates. Rising incomes may help offset the perception by the average consumer that fresh strawberries are an expensive fruit.

## Section I. Fresh Strawberries

## Production Situation

Preliminary indications point to a 20% year-to-year decline in total Canadian fresh strawberry production in 2000 reflecting a spring and early summer season in Quebec and Ontario that was characterized by a lack of heat, reduced sunshine, and above average rainfall. The cool damp conditions sharply reduced the production potential in the two most important strawberry growing regions. British Columbia strawberry growers experienced relatively good conditions during the growing period and initial reports indicate production in that province was above average. On balance, total Canadian production in 2000 is expected to fall to about 21,000 metric tons from 26,349 metric tons in 1999. For the 2001 crop, more normal weather across all producing regions would return total output to a more normal 25,000 metric ton level.

PSD Table						
Country	Canada					
Commodity	Fresh Strawberries				(HA)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		04/1999		04/2000		04/2001
Area Planted	5330	5292	5100	5336	0	5400
Area Harvested	4439	4425	4150	4300	0	4500
TOTAL Production	26548	26349	27000	21000	0	25000
Imports, Fresh	44000	49357	45000	52500	0	50000
TOTAL SUPPLY	70548	75706	72000	73500	0	75000
Exports, Fresh	170	170	150	100	0	100
Domestic Fresh Market	66628	72536	68350	70900	0	72400
For Processing	3750	3000	3500	2500	0	2500
TOTAL UTILIZATION	70548	75706	72000	73500	0	75000

## Production by Province

<b>Strawberry Production by Province; 1999, Canada forecast 2000</b>					
	Cultivated	Bearing	Quantity	Production	Farm Gate
	Area	Area		as %	Value
	(ha.)	(ha.)	MT	total	\$C'000
Newfoundland	81	61	154	1%	470
Prince Edward Is.	101	85	417	-	815
Nova Scotia	283	259	1,588	6%	3,000
New Brunswick	223	194	499	2%	1,200
Quebec	1,781	1,457	9,571	36%	15,950
Ontario	1,740	1,457	8,981	34%	17,360
Manitoba	223	198	687	3%	1,555
Saskatchewan	57	49	125	0%	325
Alberta	180	109	431	2%	1,400
British Columbia	623	556	3,896	15%	7,810
<b>Canada Totals</b>	<b>5,292</b>	<b>4,425</b>	<b>26,349</b>	<b>100%</b>	<b>49,885</b>
<b>Post Forecast for 2000</b>	<b>5,336</b>	<b>4,300</b>	<b>21,000</b>	<b>-</b>	<b>40,000</b>
<b>Post Forecast as % change from 1999 production</b>			<b>-20%</b>		
Source: Statistics Canada; June 2000 and post forecast					

## Consumption

Statistics Canada's most recent data on fresh strawberry consumption is for 1998 and shows per capita consumption at 1.84 kg. Canadian fresh strawberry consumption has declined since 1995 when it peaked at 2.18 kg. Supply and distribution data suggest that consumption rose during 1999 reflecting increased imported supplies. The adverse publicity surrounding the cyclospora scare of the mid-1990s appears to have faded contributing to increased fresh strawberry purchases among consumers. Over the short term, prospects for increased strawberry consumption in Canada are favorable. Real disposable incomes in Canada are expected to rise over the next few years reflecting prospects for an expanding economy and lower personal income tax rates. Rising incomes may help offset the perception by the average consumer that fresh strawberries are an expensive fruit. As a net importer of fresh strawberries, Canadian retail strawberry prices generally reflect the relative strength of the Canadian dollar which many independent observers believe will show strength in coming years vis-a-vis the U.S. dollar.

## Prices

Fresh strawberry prices in Canada trend upwards as the season progresses. The lowest price levels normally occur from about mid-June to early August which roughly coincides with the marketing of the domestic crop. The table below shows wholesale prices at Toronto for selected summer and fall weekly periods.

Fresh Strawberries				
Wholesale Market Prices in C\$ at Toronto				
Week Ending	Origin	Type	Package/Weight	Price Range
2000				
Oct. 27	California	Field	Flat, 12X1 Pint	36.00-44.50
Sept. 18	California	Field	Flat, 12X1 Pint	23.00-26.00
Aug. 4	California	Field	Flat, 12X1 Pint	10.00-18.00
Jun. 29	California	Field	Flat, 12X1 Pint	11.00-13.00
Jun. 29	California	Field	8X1 lb. Clam shell	17.00
Source: AAFC; Infohort				

## Exchange Rates

Prices and values in this report are expressed in Canadian dollars. Exchange rates are 1997, C\$=US\$.7223; 1998, C\$=.6743; 1999, C\$=US\$.6730; late-October 2000, approximately US\$ .6600.

## Section II. Trade, Marketing Year

## Fresh Strawberry Imports

Increased U.S. production and a reduced crop in central Canada resulted in a record pace for Canadian imports of fresh strawberries in the first five months of MY2000/01. With the United States supplying nearly 99% of imports, fresh strawberry imports were up 6% during the April to August period of 2000 over the similar period last year.

Canada: Fresh Strawberry Imports						
Marketing Years (April/March)						
Comparison 5 months 2000/01 and 1999/00						
Units: metric tons						
HS 0810.10						% change
						2000/01
				5 mos.	5 mos.	over 99/00
	1997/98	1998/99	1999/00	1999/00	2000/01	
The World	38,019	39,332	49,357	31,203	33,050	6%
United States	37,384	37,651	47,525	30,716	32,688	6%
Mexico	168	895	1,129	400	268	-33%
New Zealand	414	520	472	0	0	
Australia	0	0	51	0	0	
Jamaica	1	13	42	30	21	-29%
China	1	96	27	9	6	-28%
Colombia	5	38	24	9	19	113%
Chile	0	11	19	0	16	
Ecuador	29	0	16	6	18	188%
St. Lucia	4	11	12	9	1	-85%
Malaysia	3	4	8	8	7	-6%
Philippines	0	3	7	3	3	-5%
Others	10	90	25	13	1	-93%
Source: World Trade Atlas						

## Imports by Province, Marketing Year

Fresh Strawberry Imports, by Province				
Marketing Years (April/March)				
Units: metric tons				
HS 0810.10				
				Prov. share
	Apr 97-Mar 98	Apr 98-Mar 99	Apr 99-Mar 00	99/00
All Provinces	38,019	39,332	49,357	100%
Ontario	21,181	20,056	26,110	53%
Alberta	6,012	7,469	9,597	19%
British Columbia	7,402	7,666	8,666	18%
Quebec	1,165	1,843	2,564	5%
Manitoba	1,300	1,649	1,962	4%
Saskatchewan	613	301	247	1%
New Brunswick	340	346	211	0%
Newfoundland	5	1	0	0%
Nova Scotia	1	0	0	0%
Yukon	0	0	0	0%
Source: World Trade Atlas				

## Exports

Canada: Fresh Strawberry Exports				
Marketing Years (April/March)				
Units: metric tons				
HS 0810.10				Prelim.
	1997/98	1998/99	1999/00	2000/01
United States	0	70	170	100
Total	0	70	170	100
myexp.wk4FAS/Ottawa-Source: Canadian Trade Analyzer				



## Section III. Marketing

The peak marketing period for U.S. fresh strawberries in the Canadian market is March through June, the months immediately preceding the peak marketing period of the Canadian domestic crop (June & July). In 1999, Ontario was the number one destination for U.S. fresh strawberry exports to Canada accounting for 52% of total (see table below).

## Imports from the United States, by Province

Imports of U.S. Fresh Strawberries, by Province				
Calendar Year 1999				
HS 0810.10				
Province *		Quantity		%Share
		kilograms		1999
	1997	1998	1999	Basis
-All Provinces-	40,745,371	37,487,576	45,678,086	
Ontario	22,839,757	19,208,624	23,951,678	52.4%
Alberta	6,531,028	6,892,692	9,229,317	20.2%
British Columbia	7,419,264	7,809,274	8,271,185	18.1%
Quebec	1,572,404	1,347,010	1,913,319	4.2%
Manitoba	1,385,628	1,580,887	1,857,548	4.1%
New Brunswick	297,090	331,707	246,723	0.5%
Saskatchewan	692,953	315,302	208,316	0.5%
Newfoundland	7,107	807	0	0.0%
Nova Scotia	0	925	0	0.0%
Yukon	140	348	0	0.0%
* not necessarily prov. of consumption				
Source: World Trade Atlas				

## Section IV. Tariffs

Under the FTA/NAFTA all import duties on U.S. fresh and frozen strawberries, including any seasonal duties, were reduced to zero on January 1, 1998.

The Canada/Chile Free Trade provides free access for fresh strawberries from Chile, while the Canadian tariff on frozen strawberries from Chile will be eliminated by 2003. The current rate on frozen strawberries from Chile (effective January 1, 1998 to December 31, 2002) is 3.5 Canadian cents/kg, but not less than 5%.

Under NAFTA all fresh strawberries from Mexico enter Canada duty free while the current rate for frozen strawberries is 2.6 Canadian cents/kg, not less than 4%, until it is eliminated on December 31, 2002.

Canada chose to apply no seasonal tariffs on fresh strawberries from any origin during 1999.

## Section V. Frozen Strawberries

## Supply and Distribution

PSD Table						
Country	Canada					
Commodity	Frozen Strawberries				(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	1000	1000	1000	1000	1000	1000
Production	2900	3000	3000	2500	0	2500
Imports	16277	16277	17000	15000	0	15500
TOTAL SUPPLY	20177	20277	21000	18500	1000	19000
Exports	660	660	550	500	0	500
Domestic Consumption	18517	18617	19450	17000	0	17500
Ending Stocks	1000	1000	1000	1000	0	1000
TOTAL DISTRIBUTION	20177	20277	21000	18500	0	19000

## Frozen Strawberry Imports

In calendar year 1999, U.S. exports of frozen strawberries to Canada fell by almost 2% to 8,417 metric tons, but captured 52% of the import market. Canadian imports of frozen strawberries from Mexico rose by nearly one-third to 6,770 metric tons to capture 42% of import market share. However, in the first eight months of 2000, Mexican exports of frozen strawberries to Canada were off sharply from a year ago, falling 25% from their January to August 1999 level. Total Canadian imports of frozen strawberries fell 11% in the first eight months of 2000 compared to the same period last year. As shown below, imports from the U.S. slipped 12%.

Canadian Frozen Strawberry Imports						
1997-1999 Calendar Years						
January - August Comparisons for 1999 & 2000						
Units: kilograms						% change
HS = 0811.10				Jan-Aug	Jan-Aug	8 mos. 2000 over 8 mos. 1999
	1997	1998	1999	1999	2000	
-- The World --	11,560,106	14,075,349	16,276,814	12,581,702	11,158,581	-11%
United States	5,467,169	8,570,332	8,416,838	6,390,076	5,614,504	-12%
Mexico	5,745,608	5,111,457	6,770,345	5,542,361	4,174,990	-25%
China	25,560	230,016	384,762	198,931	311,989	57%
Spain	0	43,549	149,270	124,015	187,510	51%
Chile	0	0	120,308	120,308	304,583	153%
Poland	150,109	22,000	110,300	25,000	298,191	1093%
Morocco	0	21,954	86,439	65,822	20,928	-68%
Bosnia-Herzeg.	0	29,479	85,134	44,847	0	-100%
Turkey	0	0	54,793	36,793	0	-100%
Netherlands	169,309	6,727	34,318	28,973	117,784	307%
Germany	0	0	21,996	0	0	-
Croatia	0	0	18,392	0	0	-
Argentina	0	0	18,375	0	27,712	+100+%
United Kingdom	0	0	0	0	56,296	+100+%
Saudi Arabia	0	0	0	0	21,954	+100+%
Others	2,351	39,835	5,544	4,576	22,140	384%
Source: World Trade Atlas						

Find Us on The Web:

Visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Contact: FAS/Ottawa e-mail: [usagr@istar.ca](mailto:usagr@istar.ca)